

**Minutes of the
Tobacco Education and Research Oversight Committee (TEROC)**

Meeting on August 31, 2004
California Department of Health Services
Training Rooms B and C (First Floor)
1500 Capitol Avenue
Sacramento, CA 95814

MEMBERS PRESENT:

Bruce Allen, Lourdes Baézconde-Garbanati, Stella Aguinaga Bialous, Theresa Boschert, Susanne Hildebrand-Zanki, Kirk Kleinschmidt, Dorothy Rice, and Traci Verardo

MEMBERS ABSENT:

Ron Arias, Gregory Franklin, Alan Henderson, Rod Lew, and Deborah Sanchez

OTHERS IN ATTENDANCE:

Dileep G. Bal, Chief, Cancer Control Branch, Department of Health Services (DHS)
Francisco Buchting, Tobacco Related Disease Research Program (TRDRP), University of California (UC)
Shelly Brantley, American Lung Association of California (ALA), Superior Branch
David Cowling, Chief, Data Analysis and Evaluation Unit (DAEU), Tobacco Control Section (TCS), DHS
Charles DiSogra, Director, TRDRP, UC
Edie Ernst, Media Campaign Unit (MCU), TCS, DHS
Edana Fielden, MCU, TCS, DHS
Bob Gordon, Lesbian, Gay, Bisexual, and Transgender Partnership
Larry Gruder, TRDRP, UC
Kirsten Hansen, California Tobacco Control Alliance
Rich Heintz, Local Lead Agencies, Project Directors Association (LLA-PDA)
Paul Hunting, Local Programs Unit (LPU), TCS, DHS
Jennifer Ibrahim, UC, San Francisco
Kathony Jerauld, DAEU, TCS, DHS
Dian Kiser, Bar and Restaurant Employees Against Tobacco Hazards (BREATH), ALA
Paul Knepprath, ALA
Jim Knox, American Cancer Society (ACS)
John Lagomarsino, Safe and Healthy Kids Program Office (SHKPO), California Department of Education (CDE)
Roberta Lawson, LPU, TCS, DHS
Donald Lyman, DHS
Ken McCartney, SHKPO, CDE
Natasha McLear-Botev, TCS, DHS
Lev Mandel, UCSF
Dennis Maciel, Board of Equalization (BOE)
Carolyn Martin, Consultant, BREATH, ALA
Jamie Morgan, American Heart Association
Sharen Muraoka, ACS
Anissa Nuchman, California Department of Finance (DOF)

Greg Oliva, Chief, Program Planning and Policy Development, TCS, DHS
Cathy Palmer, Chief, Administrative and Contract Support Unit, TCS, DHS
April Roeseler, Chief, LPU, DAEU, TCS, DHS
Meredith Rolfe, Administrator, SHKPO, CDE
Bill Ruppert, TCS, DHS
Darlene Saito, BOE
Robin Shimizu, Assistant Chief, TCS, DHS
Randy Silva, BOE
Joseph Shinstock, DOF
Colleen Stevens, Chief, MCU, TCS, DHS
Rhonda West Peters, African American Tobacco Education Network
Gregory Wolfe, SHKPO, CDE
Xueying Zhang, DAEU, TCS, DHS

1. WELCOME, INTRODUCTIONS, AND OPENING COMMENTS

The Chairperson, Kirk Kleinschmidt, called the meeting to order at 10:10 a.m. Each of the Committee members introduced themselves. Members of the audience also introduced themselves and identified their affiliations. The Chairperson welcomed Dr. Charles DiSogra, the new Director of the Tobacco Related Disease Research Program (TRDRP).

2. APPROVAL OF MINUTES, REVIEW OF CORRESPONDENCE, AND ANNOUNCEMENTS

The minutes for the June 1, 2004, TEROC meeting were approved with two editorial corrections that were given to Tobacco Control Section (TCS) for the record.

The Chairperson reviewed some of the outgoing correspondence in the packets and pointed out that he had not sent the letter to the voluntary organizations regarding the allocation of monies from the Proposition (Prop) 99 Research Account (RA) to the California Cancer Registry (CCR). He said he had concerns with advising the voluntary agencies to sue, considering the role of TEROC and its relationship with the Legislature and the Administration. He said that it was not an issue of timeliness given the current stage of the budget process and that several letters had been sent to different parties previously on this issue without any results. Some members of the Committee said the letter should still be sent. Various strategies were suggested, and there seemed to be a consensus to seek an oral opinion, via a friendly Legislator, from the Legislative Counsel's Office concerning the legality of the use of the RA monies for the operation of CCR.

3. ENVIRONMENTAL DEVELOPMENTS

The Chairperson commented on some recent relevant environmental developments:

- The United States case against the tobacco industry (TI) is moving forward and is scheduled for a trial date of September 13, 2004. A judgment of \$280 billion is being sought. A corollary to this is the fact that the judge in this case has fined the Philip Morris Tobacco Company \$2.75 million for destroying email evidence (that Philip Morris called "inadvertent destruction"), demonstrating that the TI has not changed its ways. The Committee will continue to monitor this case.
- The Federal Trade Commission approved the Brown & Williamson and R.J. Reynolds merger proposal. This will now be called the Reynolds American Tobacco Company,

making it the second largest cigarette maker in the world. The Chairperson distributed copies of some recent R.J. Reynolds ads for Camel cigarettes for review.

- New York State has banned nicotine water. The New York initiative for fire-safe cigarettes went into effect on July 1, 2004. The latter increases the price of cigarettes, which is good from a public health perspective.
- Colorado citizens collected the necessary signatures for a ballot measure to increase the tobacco tax by 64 cents.
- The American Heart Association is to be commended for its ads that ran in the New York Times and the Sacramento Bee promoting the California Tobacco Control Program.
- The Chairperson distributed articles from the Los Angeles Times and the San Diego Union-Tribune describing the results of a State audit of Prop 10 expenditures (see enclosed).

4. BUDGET UPDATE

The Chairperson welcomed and introduced Mr. Joe Shinstock from the Department of Finance (DOF). Mr. Shinstock explained that he had been an analyst with DOF for about five years, with the California Health and Human Services Agency (CHHSA) budget for about one year, and four months on the Prop 99 fund. He offered to answer Committee questions and called their attention to the material in the meeting packets displaying revenues, expenditures, and expenditure plans for the years 2002-03 through 2004-05 (see enclosed handout and copy of slides). He offered to send out updates via email to interested individuals.

2004 Budget Act Revenue and Expenditures: Mr. Shinstock pointed out, on the 2004 Budget Act spreadsheet, a total projected revenue to be \$334.459 million for the Cigarette and Tobacco Products Surtax Fund, including the \$16.7 million in Prop 10 backfill declared by the Board of Equalization (BOE). He outlined the estimated expenditures for fiscal year (FY) 2004-05 to be: \$14.253 million to the University of California (UC); \$23.020 million to the Department of Education (CDE); \$129.415 million to the Department of Health Services' (DHS) various programs; and about \$135.5 million to the Managed Risk Medical Insurance Board Healthy Kids program. He explained that these figures include a surety bond collection recovered between the January Governor's budget and the May revise amounting to a revenue increase of approximately \$8 million that was distributed among the hospitals, doctors, breast cancer screening, and TCS health education programs.

Research Account and Tobacco Related Disease and Research Program Funds:

Mr. Shinstock commented on the earlier discussion of TEROOC correspondence regarding the allocation of approximately \$4.7 million in RA funds to CCR. The Chairperson explained that the Committee has had an ongoing concern that RA funds have been going to non-research purposes and now, with the reduced amount in the RA, the diversion is taking a larger percentage of the total account funds. Mr. Shinstock asked if there is any level or amount acceptable to the Committee to be allocated for the administration of the CCR. The Chairperson replied no amount was acceptable unless it is going to tobacco-related research. Mr. Shinstock recommended that the Committee talk with CHHSA, which at this time is developing the state's health policies for delivery to the Governor's Office this fall. He said if there is a desired change in direction or policy, this is the right time to weigh in on it. He noted a sharp drop in the allocation to TRDRP. TRDRP staff described some of the

history of the allocations to TRDRP. During periods of declining revenue, DOF shielded the program from fluctuations with backfill from the reserve fund and, when the reserve fund ran out, DOF had to make a sharp adjustment all in one year. Mr. Shinstock acknowledged there have been some difficulties in managing the RA in the past, and said some changes have been made to prevent problems in the future. He said that the declining revenue is a sign of the success of the program, which does impact the program, and DOF is trying to find ways to deal with that.

Revenue Projections: Mr. Shinstock explained sources and steps DOF uses in making its revenue projections. He said that BOE makes projections for Prop 10, and that DOF makes the revenue projections for Prop 99, with adjustments in October, December, and May.

Prop 99 Reserve: Mr. Shinstock explained that prior to the budget year 2004-05, a decision was made to retain and maintain a two-percent reserve, and, if revenue went below expenditures, the program would have to absorb the reduction rather than use the reserve. Beginning in budget year 2004-05, the Administration agreed to build in a five-percent reserve and allow the reserve to absorb the fluctuations in revenue. In the current year, programs should not be reduced due to any reduction in revenue unless it exceeds the amount in the reserve.

Some questions asked:

- Would DOF work with and receive input from the voluntary agencies? Mr. Shinstock said he does not know of a mechanism for such interaction but he would think about possible options for that.
- Does the spreadsheet material include the revenue estimates from Assembly Bill (AB) 71? He said he does not think the charts reflect that and would get back to them.
- What is the explanation of the \$6.9 million allocation from the Unallocated Account to the Department of Mental Health? He said he was not part of the decision making process but he thinks the intent was to offset General Fund expenditures for growth in state mental health facilities.

5. LEGISLATIVE UPDATE

Mr. Paul Knepprath, from the American Lung Association, provided an update and handout concerning the status of tobacco-related legislative bills (see enclosed) and answered questions from the members and the audience. He noted that the legislative session ended on Saturday, August 28, 2004, at 3:30 a.m., and commented on some specific bills:

- AB 384 – prohibits possession of tobacco products by inmates in state prisons and the California Youth Authority facilities – has been enrolled and is on Governor's desk for signature.
- Senate Bill (SB) 1173 – broadens the ban on self-service displays to include all tobacco products and paraphernalia – has been enrolled and is on the Governor's desk for signature. It would be beneficial for TERO to send a letter to urge the Governor to sign.
- AB 3092 – increases Penal Code 308 fines for not posting Stop Tobacco Access to Kids Enforcement Act warning signs – has been enrolled and is on the Governor's desk for signature.
- AB 1583 – prohibits smoking on state coastal beaches -- failed in the Senate by a few votes. Language was added late to weaken the bill, allowing areas to opt out, setting a floor rather than a ceiling. The Bill will appear again next year.

- AB 894 – prohibits smoking in cars with minors – was killed on the last day of the session, but will be back again next year.

The Committee agreed to send a letter to the Governor urging him to sign SB 1173.

6. BOARD OF EQUALIZATION UPDATE

The Chairperson welcomed Mr. Dennis Maciel and Mr. Randy Silva who provided a discussion on the implementation of AB 71, the new state tobacco licensing requirement (see enclosed copy of their handout).

Update since the January 1, 2004, effective date of AB 71 - Prior to AB 71, BOE inspections had regularly found 25 percent rate of retailers selling contraband tobacco products. Between April and August of 2004, BOE conducted 3,325 retail inspections resulting in 439 administrative seizures (2.3 million cigarettes), a 13.2 percent seizure rate. This is a significant reduction in the number of cigarettes seized per inspection since AB 71 began, indicating a much higher compliance with state laws. All seized cigarettes are destroyed. Inspectors now have authority to issue both civil and criminal citations. Penalties run from \$500 to \$5,000 per infraction.

Licensing - Tobacco wholesalers and distributors are required to obtain a license each calendar year at a cost of \$1,000; so far this year, 1,050 wholesalers and distributors have been licensed. Some companies have opted out of the wholesale or distribution business, or are no longer doing business in California. Temporary retail licenses expire on September 30, 2004, and BOE is beginning the process of renewal. Retailers are also required to obtain a license every 12-month period and that process will not start until February 2005. BOE estimated there are 85,000 tobacco retailers and to date 41,000 have applied for a license at \$100 each.

Revenue - Tax revenues from other tobacco products (smokeless, roll your own, etc.) increased approximately 25 percent (\$13 million) in the first six months of 2004, resulting from retailers who had been buying from out of state earlier and are now buying from in-state sources or becoming licensed in California. Cigarette tax stamp sales fluctuate greatly from month to month: however, a comparison of cigarette tax stamp sales for the first six-month period of 2004 with the same period in 2003 shows approximately one percent increase overall for the 2004 period. Increased compliance will generate increased revenue, but currently there is not enough data to make revenue projections. The state will not be able to make projections until July 2005, when they will have a 12-month period of revenue related to licensing.

Compliance Fund - Revenues from licensing and from penalties will go into the compliance fund to pay for the enforcement of the licensing law. There is no way to estimate at this time the amount of revenue from penalties, but the ongoing revenue from licensing fees is estimated at \$2.2 million. The expenditures for enforcement are estimated at \$8.1 million and would rise each year. There is enough money in the fund to cover expenses until FY 2006-07 when a deficit of more than \$6 million per year is expected to begin. Section 23 of AB 71 provides that funding for compliance would come from revenues, including from the General Fund, Breast Cancer Fund, Prop 99 fund and Prop10 fund, in proportion to the revenues they receive.

Alternative Stamping Program - There are approximately 200 cigarette distributors who apply tobacco tax stamps. By January 1, 2005, BOE will begin using the new encrypted tobacco stamp that will be readable by scanner, and contain the date, name, and address of the distributor that applies it. Two contracts were awarded for different functions in this effort and BOE is currently testing the new stamp. The cost to the state for the stamp that is currently used is \$0.99 per thousand and the cost for the new stamp will be \$4.77 per thousand. The total cost to California for the new stamps is estimated at \$6.6 million; the projected increased revenue is \$23 million; therefore, the net increase in revenue is estimated at \$16.4 million.

BOE agreed to report again at a future TEROC meeting. By July 2006, BOE is required to submit a report to the Legislature on the implementation of AB 71, and will provide copies of the report to TEROC.

Some questions asked:

- How many inspectors will BOE have? BOE hired 40 new staff to carry out the compliance function, with 27 looking at large smuggling operations.
- How many counties have local licensing laws and how are they working? BOE does not have county ordinance information. A member of the audience said Los Angeles County has a \$5.00 registration fee, and there are seven jurisdictions with strong licensing policies that have proactive enforcement, including suspension of licenses for violations. Sacramento County has the most comprehensive ordinance that covers about 1,000 retailers.
- Is the alternative tax stamp technology similar to the Philip Morris anti-counterfeit technology? No, quite different but BOE does work closely with Philip Morris and others engaged in anti-counterfeit efforts.
- Will the program continue to reimburse the distributors for the cost of applying the stamp and what will that cost be? Yes, but it is not known at this time what that cost will be. Currently, distributors say it costs them \$4.86 per case of cigarettes to apply the tax stamp. The new technology is very different; and AB 71 specifically requires BOE to report in the July 2006 legislative report on this specific cost.

7. REVIEW OF THE JULY 19, 2004 SPECIAL MEETING

The notes of the July 19, 2004, special meeting were distributed to the members and others present. The Chairperson said the purpose for the special meeting was to: 1) review what has been accomplished, or not accomplished, towards the goals of the current Master Plan (MP); 2) give focus to the year and a half remaining in the MP time period; and 3) plan for the next MP that is due to begin in January 2006. He explained that they brainstormed around the six major objectives of the MP and identified three priority strategies under each objective for focus in the next year and a half. In addition, the members looked at the Committee structure and decided not to set up permanent subcommittees or taskforces but rather create them as needed. Regarding the next MP process, he said the members decided to stay with and fine tune the current objectives, recommendations, and strategies, rather than have an extensive planning process like last time. The Chairperson directed people to read the notes from the meeting for a more thorough summary of the meeting (see enclosed). A member of the audience made a correction to the special meeting notes and commented on an omission that California Public Employees' Retirement System (CalPERS) will now require all health plans to offer full cessation services (significant because CalPERS has over a million subscribers).

The Chairperson said the Committee discussed the Local Lead Agency-Project Directors Association (LLA-PDA) recommended funding formula at the special meeting and decided to take no position on the funding formula at this time. The Chairperson added that the Los Angeles County LLA has provided written concerns regarding the LLA-PDA funding proposal; and that they agreed to present a counter proposal for LLA-PDA consideration prior to submitting for TEROC. The LLA-PDA will have a task force meeting next week on the formula and will inform TEROC of the results.

Ms. Traci Verardo reviewed some highlights of the memo she prepared for the July 2004 special meeting, and of the many cessation materials and presentations made to TEROC during the previous two years. She strongly emphasized the importance of working with publicly-funded programs and public purchasers/organizers of care to integrate cessation services into their programs in order to address the MP objective to increase the availability of cessation services.

The Committee asked TCS to discuss the grant application to the federal Centers for Disease Control and Prevention (CDC) regarding cessation. TCS said the grant is for cessation services for persons with diabetes, to enhance the capacity of the helpline services, and to conduct outreach to care providers encouraging them to access and refer their patients with diabetes. This includes providing information in provider bulletins/newsletters to increase awareness of the helpline services. TCS is a pass-through for the money; the grant will fund one position in the DHS diabetes program; and the helpline will receive \$350,000 per year. Provider policy guidelines will be developed specifically for diabetes, and these will be used as a model for other programs, such as asthma control; Women, Infants, and Children program; etc.

The Chairperson stated that there was a healthy discussion at the special meeting regarding the role of TEROC as an advisory body, that it makes policy recommendations and recommends strategies for implementation of policies, but does not get involved in the day-to-day operations of UC, CDE, and DHS. Concern was voiced from the audience that groups were asked to make specific recommendations or suggestions regarding cessation; they did so, but were then told that these were too specific and not in the purview of TEROC. Members of the Committee assured them that their recommendations were taken into account and that the Committee is not prevented from making strong recommendations to the agencies concerning policy direction, even if at times these recommendations are quite specific.

The discussion on cessation continued at length. A question arose whether the Committee needed more detail on the topic, the Chairperson and others said that the Committee had discussed this topic for the last two years, that there is no lack of information and perhaps too much; and that this subject has been a difficult one for the Committee to deal with, particularly with declining revenue. The new proposed sub-recommendations in Ms. Verardo's memo were discussed, and there was disagreement over the one to recommend eliminating restrictions on grant funding for cessation services. The motion to adopt the recommendations in the memo failed. The Committee agreed to place the subject of cessation again on the next meeting agenda. Some members said it would be good for the Committee members, in the time before the next meeting, to review all the material received from various groups on the subject, and to see how these may come together into a meaningful TEROC policy direction.

8. LIFE SKILLS TRAINING IN CALIFORNIA SCHOOLS

Mr. Lev Mandel from UC, San Francisco, discussed the preliminary findings of an in-depth study of TI involvement in the in-school Life Skills Training program (LST). He said his purpose was to explain why the TI chose to support LST for its youth tobacco prevention program, what the TI has done to quietly institutionalize it, and why California should develop a policy to not use LST for tobacco control.

Beginning in the 1980s, the TI policy focus for its youth smoking prevention program was to forestall any legislation restricting industry activities, to portray smoking as an adult choice, to displace effective tobacco control, and to promote the idea that there is no evidence programs reduce youth smoking. Mr. Mandel said the tobacco documents show that, as the TI image and credibility was hitting the cellar, the TI made a major policy change to shift the youth tobacco control paradigm from the California medical model (focus on the TI as the vector, and predator) to LST “youth positive development” model (focus on youth action, the TI is your friend). The industry documents show that the TI paid for advertising LST and provided funds to implement the program. The TI’s goal was for states to pay part of implementation costs at first, and later pay for all LST implementation costs.

Dr. Gilbert J. Botvin, LST founder, continues to have a financial interest in LST (in the sales and the trainings). He was an author on all but one research article concerning LST. The LST website says the TI has not paid any of the evaluations of LST. Mr. Mandel said that, in fact, Philip Morris and Brown & Williamson hired Interactive Inc., which is an education evaluation company, to evaluate LST and to ask two questions: how might LST be more widely adopted, and is it effective? In its two-year report, Interactive Inc. concluded that CDC endorsement was very effective for LST adoption and that anecdotal evidence is just as compelling as hard, quantified data. They said lack of quantified data was not a barrier to schools adopting LST. Regarding LST effectiveness, a 1995 article in the *Journal of the American Medical Association* showed that cigarette use went up in the only state in the country that adopted LST statewide. Of note, this paper was the only published LST evaluation for which Dr. Botvin was not an author.

Mr. Mandel concluded by saying that California is an innovative leader in tobacco control, that other states follow California’s example, that California should resist the TI-driven paradigm shift, and that TERO has an opportunity to develop a policy that LST not be used nor be funded with tobacco control funds. DHS clarified that the California model is a community norm change, denormalization, public health model, and that the clinical medical model is a clinically-based cessation model that the Federal Government is pushing hard at the present time. Some members and others commented that LST is just one of the “positive youth development” models, that LST was being used before the TI co-opted it, that a number of research organizations, including CDC, support LST, and that the positive youth development model is successful. Mr. Mandel said that the UCSF study has not found any credible evidence that LST has been successful in preventing kids from smoking. Some members said they appreciated Mr. Mandel bringing this information before the Committee, and would be interested in hearing more as this study continues.

9. PROGRAM REPORTS BY AGENCIES

(Each agency sends a written report to TEROC prior to the meeting and responds to questions at the meeting.)

a) Department of Health Services, Tobacco Control Section Report

As requested, DHS presented some of the significant findings from the report on the 2002 California Tobacco Survey (CTS) entitled "Tobacco Control Successes in California: A Focus on Young People, Results from the California Tobacco Surveys, 1990-2002." (The report is dated October 2003, was distributed on June 30, 2004, and copies were sent to all members.) Some highlights of the findings are:

18-29 year olds

- The smoking uptake process has extended into the young adult years.
- A majority (60 percent) of young adult daily smokers were light smokers (less than 15 cigarettes per day) in 2002.

Adults (18+)

- Monthly per capita cigarette consumption decreased to less than half the level of the rest of the United States.
- Adult smoking prevalence saw statistically significant declines in women (from 13.8 percent to 11.9 percent) but not men (20.5 percent to 19.1 percent).
- Increased quitting appears to be responsible for the decline in prevalence; future declines will likely be the result of reduced initiation.
- The reduction in average daily cigarette consumption in California smokers appears to be coming from new cohorts not reaching the higher consumption levels of previous cohorts.
- Although the use of nicotine replacement therapy (NRT) has increased, the effectiveness of NRT for smoking cessation has further declined such that the six-month abstinence is similar to not using NRT.
- 60.8 percent of the population supported at least a 50 cents per pack tax increase, compared to 58.2 percent in 1999.

Protection from secondhand smoke (SHS)

- Exposure to SHS in the workplace showed a decline again to 12 percent.
- Protection of children and adolescents from exposure to SHS in the home is very high.
- While Hispanics are more protected at home, they appear less protected in the workplace.
- Californians showed high levels of support for new venues to be smoke-free, including sports fields, common areas of hotels/motels, and common areas of apartment buildings and condos.

Adolescents

- The perceived ease of buying a pack of cigarettes has continued to decline since 1999.
- Most adolescent smokers continued to obtain their cigarettes through social sources. Also, none of the adolescents reported using the Internet to buy cigarettes in the last year.

In response to three questions, DHS said: the cost of the CTS study is \$2 million which is spread over three budget years; the self reported quit rates for six months is 16 percent with NRT and 15 percent with no assistance; and, if Committee members have suggestions regarding survey questions or areas, they should send these to Dr. David Cowling at TCS.

DHS announced that as of October 2004, TCS will have been in operation for 15 years, and as of January 1, 2005, the smoke-free work site and public places policy will be 10 years old. DHS is planning a celebration tentatively for the beginning of December, and has commitments from the Secretary of CHHSA, Ms. Kimberly Belshé; the Director of DHS; the author of the smoke-free work site legislation, Terry Friedman; and others to participate. It will celebrate all the successes that so many people and communities have achieved to reduce the plague of tobacco in our state.

DHS said that in June 2004, the Prop 10 advertising agency came to TCS for the first time and sought input on their ads designed to increase cessation. They were very receptive and responsive to input on planning their media campaign.

In mid August 2004, TCS media campaign and its advertising agency, Ground Zero, met with Secretary Belshé to discuss strategy. TCS will conduct more strategic research, and, if people have ideas or comments for future media directions, they should contact Colleen Stevens. The production of the ethnic ads has just been completed. Regarding the two lawsuits: the R.J. Reynolds lawsuit appeal is still awaiting resolution; and the court decided in favor of the state on all counts in the lawsuit of Asher & Partners, vendor, Interactive Media.

DHS asked if there were any questions regarding their written report.

- Concern was expressed over the small number of LLAs (five) that have included the model Priority Populations objective in their new Comprehensive Tobacco Control Plans. TCS explained that it is partly a matter of resources and partly a matter of not knowing what it would entail. TCS completed the priority population indicators for the Communities of Excellence model only recently, and it is therefore new for the LLAs.
- Because of the importance of the results of the priority population studies, can these be released soon? DHS said the final reports are due October 31, 2004, that the DHS approval process can be cumbersome; and that a summit is scheduled in the fall of 2005 to discuss the findings and implications of these unique studies.
- Has the increase in the statewide youth tobacco sales rate set off the trigger mandated in the California Tobacco Licensing Act? Yes, it has been triggered and the penalties outlined on page five of the DHS written report will be implemented. Also, as required when the youth tobacco sales threshold of 13 percent is met, DHS will provide education to retailers and their employees upon their first conviction of a tobacco sale to a minor.
- Why have some highly experienced staff left TCS? Some staff have retired, some have left for personal reasons, some for financial reasons, and some have been sought after by other places of employment. Some will be getting considerably more money.

The Chairperson reminded the members that TERO had sent a letter to Secretary Belshé, urging her to lift the freeze and expedite the TCS contracts and hiring. He said Secretary Belshé called him; they discussed the problem; the freeze was lifted and the contracts were awarded prior to the end of the FY, June 30, 2004.

b) California Department of Education/Safe and Healthy Kids Program Office Report

CDE pointed out that the Request for Applications for county Tobacco Use Prevention Education program (TUPE) funding is for a three-year contract period. They explained that the level of funding to the counties is declining, and, although it has not happened yet, it is possible that some counties may refuse the TUPE funding. Some may think the amount of money is not worth the trouble. CDE is looking into changing the funding formula; however, this would require legislative changes. CDE is working with TRDRP on the wording of the School Academic Research Award (SARA) grants in order to get the desired research. TRDRP received only four applications for SARA grants, so there is a need to encourage those interested and knowledgeable in this area to apply for these funds. CDE thanked TCS for providing them research results on what works in youth cessation. There is currently an evaluation study in Sacramento on the cessation curriculum. CDE asked if there were any questions concerning their written report.

- What is the status of the proposed changes to the TUPE? The TUPE reform package has gone through a huge review process, corrections have been made, and it is now back for final review. The corrections made were not substantial.
- How many schools use LST, what are the results, and do schools know of the TI involvement? From 10 percent to 20 percent of the schools use LST; CDE does not have the data to speak to its effectiveness; and CDE sent schools a memo informing them of the involvement of the TI in LST.

c) University of California/Tobacco Related Disease and Research Program Report

TRDRP announced that they received 186 applications in the recent grant cycle, which is considerably less than the 244 applications received in the prior cycle. The message is clearly out there that the funds have decreased. They are funding 49 grants in contrast to 57 in the previous cycle. Many excellent applications were not funded because of the lack of funds. The written report displays the grants in relation to the MP TRDRP addresses - objectives three through six. Twenty-two percent of the funds are going to address disparities and 18 percent to SHS studies.

TRDRP said they distributed their 2003 annual report to the Legislature. The TRDRP newsletter *Burning Issues* will be released in September 2004. On September 14, 2004, TRDRP will release an announcement for the call-for-applications for the next grant cycle. In the coming cycle there will be no changes to the "primary" and "complementary" categories of grants. They are currently working with their scientific advisory council on how to address the reduction in funding. By the end of September 2004, TRDRP will release a compendium of the studies, including abstracts of each project. Interested persons will be able to search on the website by institution, the principal investigator, and subject. TRDRP is looking at ways to disseminate the results of the studies before the papers are released. There were some questions related to specific studies listed in the written report.

10. PUBLIC QUESTIONS AND COMMENTS

There were no public questions or comments.

11. MEMBER DISCUSSION

The Committee members raised no issues for further discussion.

NEXT MEETING DATES:

December 6, 2004, 10 a.m. to 5 p.m., Sacramento, Regular Meeting

March 8, 2005, 10 a.m. to 5 p.m., Sacramento, Regular Meeting

May 24, 2005, 10 a.m. to 5 p.m., Sacramento, Regular Meeting

The meeting was adjourned at 4:40 p.m.

ACTION ITEMS:

1. TEROC to seek an oral opinion from the Legislative Counsel, via a friendly legislator, concerning the legality of allocating funds from the Prop 99 RA to the operation of the CCR.
2. TEROC to send a letter to Governor Schwarzenegger urging him to sign SB 1173.

ENCLOSURES

1. Copy of articles from the Los Angeles Times and the San Diego Union-Tribune describing the results of the audit of Prop 10 funds.
2. Copy of the DOF handout *Cigarette and Tobacco Surtax Fund-Expenditures and Available Revenues*.
3. Copy of the DOF presentation slides *Proposition 99*.
4. Copy of the *Legislative Update – August 30, 2004*.
5. Copy of the *BOE Enhanced Enforcement*.
6. Copy of notes of the TEROC Special Meeting on July 19, 2004.
7. Copy of letter from Los Angeles County Department of Health.